

## INTERNET DOCUMENT INFORMATION FORM

**A . Report Title:**            **Blown to Bits: The Impact of the "New Economy"**  
**on the Structure of Business**

**B. DATE Report Downloaded From the Internet:** 03/13/02

**C. Report's Point of Contact: (Name, Organization, Address, Office  
Symbol, & Ph #):**        **Congressional Budget Office**  
                                 **Second and D Streets, SW**  
                                 **Washington, DC 20515**

**D. Currently Applicable Classification Level:** Unclassified

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**F. The foregoing information was compiled and provided by:**  
**DTIC-OCA, Initials:** \_\_VM\_\_ **Preparation Date** 03/13/02

The foregoing information should exactly correspond to the Title, Report Number, and the Date on the accompanying report document. If there are mismatches, or other questions, contact the above OCA Representative for resolution.

# BLOWN to BITS

The Impact of the 'New Economy'  
on the Structure of Business

Congressional Budget Office Briefing

June 6, 2000

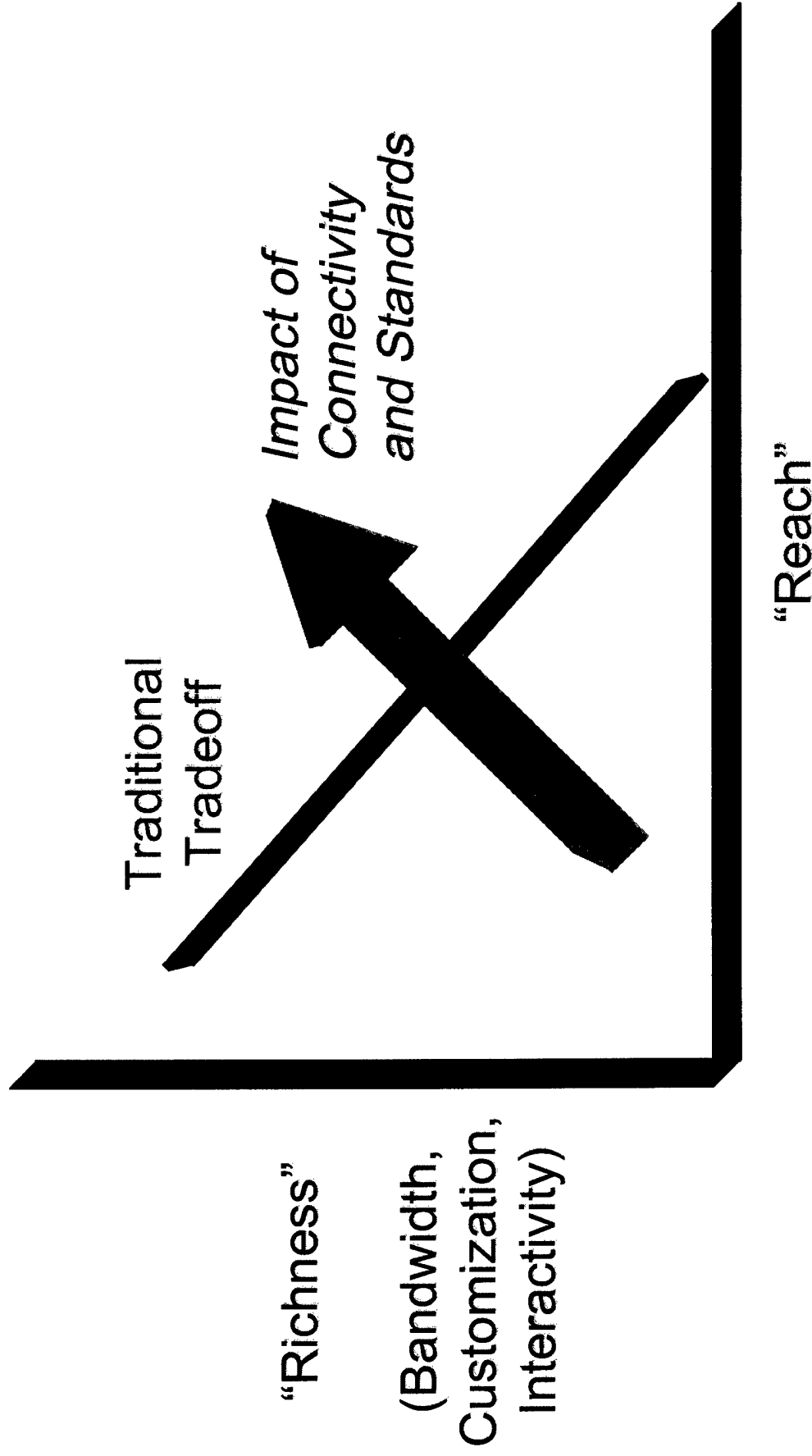
Philip Evans

The Boston Consulting Group  
evans.philip@bcg.com

20020314 062

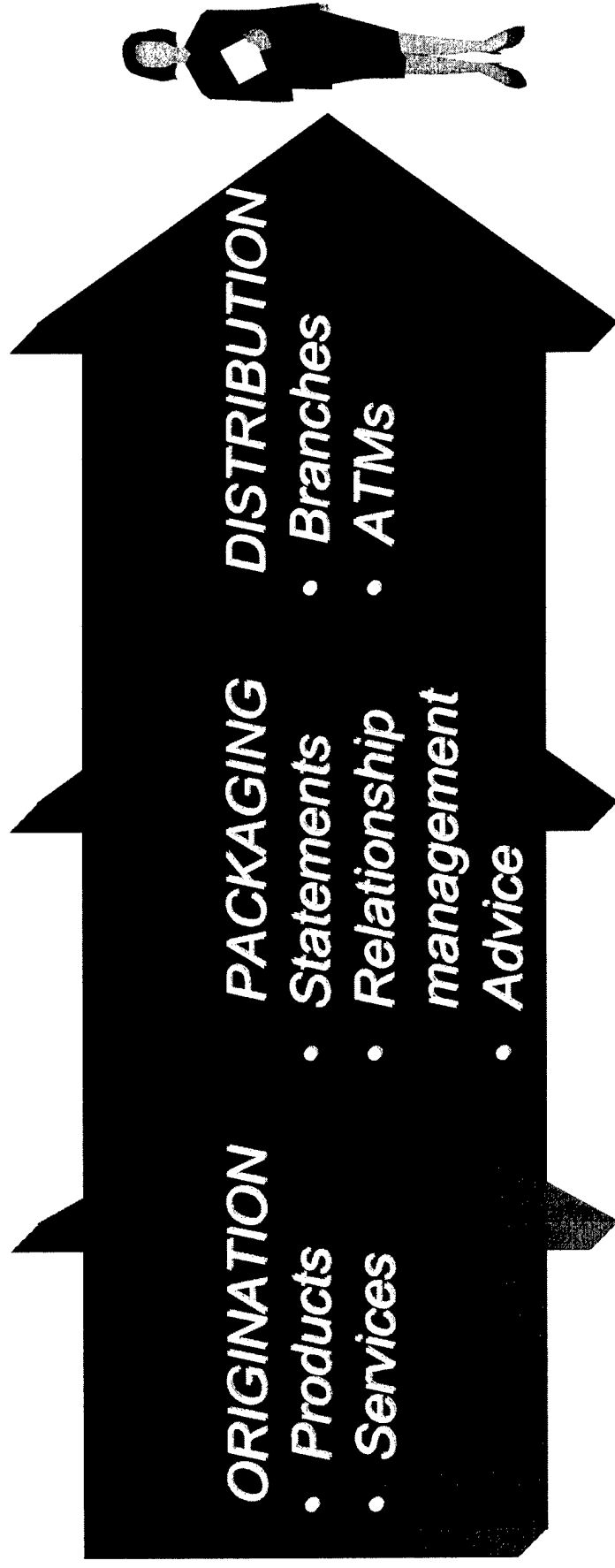
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# THE ECONOMICS OF INFORMATION



# THE PROPRIETARY PHYSICAL VALUE CHAIN

Retail Financial Institutions

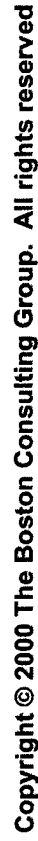


# THE PROPRIETARY ELECTRONIC VALUE CHAIN

Retail Financial Institutions



## Retail Financial Services



# DECONSTRUCTION

Connectivity and open standards

- Separate the economics of information from the economics of things
- Blow up the trade-off between Richness and Reach

These two events undermine proprietary information channels, and melt the informational “glue” that defines businesses and business relationships

- Value chain definitions
- Distribution channels
- Customer searching and switching costs
- Supply chain relationships
- The firm’s relationships with stakeholders (investors, employees)
- Organizational structures and boundaries